

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 EA-07 OPIC-03 XMB-02 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-01
INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01
EPG-02 AID-05 SS-15 STR-04 ITC-01 TRSE-00 PRS-01
SP-02 OMB-01 FEA-01 NSCE-00 SSO-00 USIE-00
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O R 111911Z MAY 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC IMMEDIATE 6578
INFO ALL OECD CAPITALS
USMISSION GENEVA
USDEL MTN GENEVA

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E.O. 11652: N/A
TAGS: ETRD, EEC, JA, OECD
SUBJECT: OECD AD HOC STEEL GROUP

REF: A. OECD PARIS 12988 B. OECD PARIS 13827

1. SUMMARY: ON MAY 11 OECD COUNCIL AGREED TO SECRETARY
GENERAL'S CONVENING OF AD HOC GROUP ON STEEL AS PROPOSED
MAY 4 WITH DRAFT ENTRY IN MINUTES REF A APPROVED. MOST
MEMBERS OF COUNCIL INDICATED INTEREST IN PARTICIPATING
IN GROUP. AS ANTICIPATED IN REF B, JAPAN CONTENTED
ITSELF WITH STATEMENT FOR THE RECORD ON CONSULTATIONS
WITH PARTICIPANTS REACHING DECISION ON TERMS OF REFERENCE
THROUGH CONSENSUS. MAJOR PROBLEM AT MEETING WAS EC
INSISTENCE THAT COUNCIL ITSELF APPROVE TERMS OF REFER-
ENCE AFTER PARTICIPANTS HAD WORKED THEM OUT. IN FACE OF
STRONG OPPOSING STAND TAKEN BY SEC GEN AND LACK OF SUPPORT
FROM NON-EC DELS, EC RELENDED, ACCEPTING FORMULA UNDER
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WHICH SEC GEN WOULD KEEP COUNCIL INFORMED. EC AND MEMBER
COUNTRY RELUCTANCE TO AGREE TO GROUP WITHOUT IRON-CLAD
ASSURANCE THAT THEY CAN PASS ON TERMS OF REFERENCE MAY
FORESHADOW DIFFICULT NEGOTIATIONS WITH COMMUNITY OR ONE
OR MORE OF ITS MEMBERS ON SUBJECT OF GROUP'S WORK. END
SUMMARY.

2. JAPAN REP SAID GOJ ACCEPTS DRAFT ENTRY IN MINUTES AS PROPOSED BY SECGEN, BUT WITH UNDERSTANDING THAT AN AD HOC GROUP WILL BE CONVENED AFTER PARTICIPANTS HAD DECIDED THROUGH CONSENSUS IN ACCORDANCE WITH THE USUAL PRACTICE OF OECD WHAT THE GROUP WILL BE DISCUSSING. U.S. DEL (KATZ) REPEATED HIS STATEMENT OF MAY 4 THAT U.S. WOULD NOT CONSIDER IT APPROPRIATE FOR TERMS OF REFERENCE EXERCISE TO FORECLOSE THE RAISING OF ISSUES OF INTEREST TO U.S. SECGEN VAN LENNEP SAID HIS VIEW OF USUAL OECD PROCEDURES WAS THAT HE OR ANY PARTICIPANT IN GROUP COULD RAISE ANY ISSUE THEY WISHED AND THAT TOGETHER THEY WOULD WORK OUT HOW TO PROCEED.

3. EC COMMISSION AND UK, SPEAKING FOR THE COMMUNITY, INDICATED THEY WOULD ACCEPT ENTRY IN MINUTES BUT INSISTED REPEATEDLY THAT COUNCIL ITSELF APPROVE "MANDATE" OF GROUP. SECRETARY GENERAL REFUSED TO ACCEPT THIS CONCEPTION, STATING THAT PROPOSED GROUP WAS NOT A CREATION OF THE COUNCIL AND DID NOT NEED COUNCIL APPROVAL OF ITS MANDATE, THOUGH SECGEN WOULD OF COURSE INFORM THE COUNCIL OF THE GROUP'S ACTIVITY. HE ALSO POINTED OUT INAPPROPRIATENESS OF ASKING COUNCIL, WHICH WOULD PROBABLY INCLUDE SOME NON-MEMBERS OF THE AD HOC GROUP, TO PASS ON WHAT THE LATTER HAD AGREED. FRANCE, BELGIUM, AND NETHERLANDS INTERVENED TO SUPPORT COMMISSION, BUT AUSTRIA FORCEFULLY SUPPORTED SECGEN, AND NO NON-MEMBER OF EC INDICATED SUPPORT FOR EC APPROACH. DUTCH DEL SUGGESTED THAT SINCE ABOUT TWENTY COUNCIL MEMBERS HAD INDICATED INTEREST, GROUP MIGHT LIMITED OFFICIAL USE

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INDEED BE SET UP AS COUNCIL WORKING PARTY AND COUNCIL AGREEMENT OBTAINED TO TERMS OF REFERENCE.

4. USDEL URGED EC NOT TO TRY TO CONVERT THE SECGEN'S PROPOSAL INTO A COUNCIL WORKING PARTY, ESTABLISHMENT OF WHICH WOULD INEVITABLY GET BOGGED DOWN IN DISCUSSIONS OVER TERMS OF REFERENCE IN EXECUTIVE COMMITTEE AND COUNCIL. HE NOTED THIS WAS SOMETHING QUITE DIFFERENT FROM THE EXPEDITIOUS AND FLEXIBLE PROCEDURES FOR WHICH THE U.S. THOUGHT IT HAD HIGH LEVEL AGREEMENT WITH THE EC AND JAPAN. EC COMMISSION AND MEMBERS URGED VAN LENNEP TO SUBMIT RESULTS OF HIS CONSULTATIONS TO COUNCIL "FOR APPROVAL." VAN LENNEP, WHILE AGREEING TO KEEP COUNCIL INFORMED, FORCEFULLY REJECTED ANY NOTION THAT COUNCIL WOULD HAVE TO APPROVE THESE RESULTS. HE WOULD ONLY ACCEPT TO KEEP COUNCIL INFORMED AT APPROPRIATE TIMES AND TO POSE THE ISSUE TO THE COUNCIL IF NECESSARY, E.G., IF GROUP IS NOT PROCEEDING WITH ITS WORK.

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THIS FINALLY SATISFIED MORE CONCERNED EC MEMBERS,
ESPECIALLY FRANCE, SINCE THEY WOULD HAVE CHANCE TO
REGISTER THEIR VIEWS WHEN VAN LENNEP INFORMED COUNCIL.
SOME EC MEMBER COUNTRIES INCLUDING DENMARK
AND IRELAND STATED EXPLICITLY THEIR EXPECTATION THAT
THEY WOULD BE CONSULTED BY SECGEN ON TERMS OF REFERENCE.
VAN LENNEP TOOK NOTE OF THIS INTERESTING POSITION OF EC
MEMBER COUNTRIES.

5. COMMENT: CLEARLY THE REASON FOR THE EC'S ATTEMPT
TO HAVE THE TERMS OF REFERENCE APPROVED BY THE COUNCIL
ITSELF IS FEAR ON THE PART OF THE MEMBER STATES THAT
THEY WILL NOT HAVE A SAY IN THIS QUESTION IF THE
COMMISSION NEGOTIATES ON THEIR BEHALF. VAN LENNEP WAS
CORRESPONDINGLY DETERMINED TO AVOID FORMULA UNDER WHICH
TERMS OF REFERENCE YET TO BE AGREED THROUGH CONSULTA-
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TION WOULD SOMEHOW BE FORMALLY SUBJECT TO UNANIMITY RULE IN COUNCIL. FRENCH REP IS REPORTED TO HAVE LED THE CHARGE AT PRE-COUNCIL EC CAUCUS MEETING AND TO HAVE ARGUED FOR A CHANGE IN DRAFT ENTRY TO REFLECT NEED FOR COUNCIL ACTION. OTHER EC MEMBER REPS READILY SUPPORTED FRENCH. IT IS UNCLEAR WHETHER THEIR FEAR REFLECTS 1) SUSPICION OF U.S. MOTIVES (SOME MEMBER STATES THINK WE ARE LOOKING FOR AN MFA ARRANGEMENT OR THE EQUIVALENT OF SECTORAL NEGOTIATIONS BYPASSING THE MTN), 2) UNWILLINGNESS TO GIVE THE COMMISSION ANY BROADER AUTHORITY IN THE STEEL SECTOR, OR 3) THE RELUCTANCE OF SOME MEMBER STATES TO DISCUSS SPECIFIC ISSUES (ACCORDING TO ONE SOURCE, THE FRENCH CITED MARKETING POLICY IN THIS MORNING'S CAUCUS). IN ANY CASE NEGOTIATIONS WITH EC AND JAPAN OVER TERMS OF REFERENCE ARE LIKELY TO BE DIFFICULT. INsofar AS EC IS CONCERNED, DISCUSSIONS WILL BE FURTHER COMPLICATED BY FACT THAT MEMBER STATES CLEARLY WANT TO BE HEARD SOMEHOW IN PROCESS. ACCORDINGLY, WE WILL NEED TO CONSIDER CAREFULLY SCENARIO FOR THESE ADVANCE DISCUSSIONS ON TERMS OF REFERENCE.

6. OTHER COUNTRIES' REMARKS WERE CONFINED LARGELY TO EXPRESSIONS OF INTEREST IN PARTICIPATION IN AD HOC GROUP. CANADA, SPAIN, AUSTRIA, SWITZERLAND, AUSTRALIA, FINLAND, NORWAY, AND SWEDEN ALL INDICATED IMMEDIATE DESIRE TO BE IN GROUP. SWEDEN SAID GROUP SHOULD BE TEMPORARY AND SHOULD FOCUS ON FACTFINDING. CANADA QUALIFIED ITS INTEREST AS "RELUCTANT," AND CANADIAN DEL TOLD US PRIVATELY THAT THIS WAS MEANT TO REFLECT GOC CONCERNS THAT AD HOC GROUP COULD INTERFERE WITH SECTOR NEGOTIATIONS IN MTN.

7. FOR READY REFERENCE, ENTRY IN COUNCIL MINUTES READS AS FOLLOWS:

THE COUNCIL

(A) NOTED THE STATEMENTS BY (THE VARIOUS LIMITED OFFICIAL USE

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SPEAKERS) CONCERNING THE SITUATION IN THE STEEL SECTOR;

(B) NOTED THAT THE SECRETARY-GENERAL IS PREPARING A FACTUAL STUDY ON THE STEEL SITUATION, AND HIS INTENTION TO CONVENE AN AD HOC GROUP AFTER COMPLETING THE STUDY AND AFTER DISCUSSIONS WITH DELEGATIONS EXPRESSING AN INTEREST IN PARTICIPATING IN THE GROUP, AS TO WHAT THE GROUP SHOULD

DO AND WHEN IT SHOULD MEET.

KATZ

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 11-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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